

**Introduced by Senator Ducheny**

January 26, 2009

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Senate Constitutional Amendment No. 9—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 9 of Article II thereof, by amending Sections 8 and 12 of Article IV thereof, and by repealing Section 3 of Article XIII A thereof, relating to government finance.

**LEGISLATIVE COUNSEL'S DIGEST**

SCA 9, as introduced, Ducheny. Finance: state budget: taxes.

(1) Existing constitutional provisions require each house of the Legislature to pass a bill appropriating money from the General Fund, except appropriations for the public schools, by a  $\frac{2}{3}$  vote.

This measure would also exempt from this  $\frac{2}{3}$ -vote requirement appropriations made in a Budget Bill, and appropriations made in a bill identified in the Budget Bill as containing only changes in law necessary to implement the Budget Bill. Instead, this measure would require that a Budget Bill, and any bill identified in the Budget Bill as containing only changes in law necessary to implement the Budget Bill, be passed by a 55% vote in each house.

(2) Existing constitutional provisions provide that a statute takes immediate effect upon enactment if the statute calls for an election, provides for a tax levy or makes an appropriation for the usual and current expenses of the state, or is an urgency statute. In addition, the Constitution exempts these statutes from the power of referendum, which is the power to approve or reject statutes or parts of statutes.

This measure would add, as statutes that take effect immediately and are exempt from referendum, statutes enacting the Budget Bill and

statutes enacting bills identified in the Budget Bill as containing only changes in law necessary to implement the Budget Bill.

(3) The California Constitution requires a change in state taxes enacted for the purpose of increasing state revenues to be by a  $\frac{2}{3}$  vote of each house of the Legislature.

This measure would delete that  $\frac{2}{3}$  vote requirement.

(4) This measure would find and declare that certain changes to Section 12 of Article IV of the California Constitution proposed by this measure and SCA 13 of the 2007–08 Regular Session, as amended by SCA 30 of the 2007–08 Regular Session, are complementary, and not in conflict. The measure would incorporate the changes proposed by both measures in Section 12 if both measures are approved by the voters.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

1     *Resolved by the Senate, the Assembly concurring,* That the  
2     Legislature of the State of California at its 2009–10 Regular  
3     Session commencing on the first day of December 2008, two-thirds  
4     of the membership of each house concurring, hereby proposes to  
5     the people of the State of California that the Constitution of the  
6     State be amended as follows:

7     First—That Section 9 of Article II thereof is amended to read:

8     SEC. 9. (a) The referendum is the power of the electors to  
9     approve or reject statutes or parts of statutes except urgency  
10    statutes, statutes calling elections, *statutes enacting the budget*  
11    *bill, statutes enacting budget implementation bills,* and statutes  
12    providing for tax levies or appropriations for usual current expenses  
13    of the State.

14    (b) A referendum measure may be proposed by presenting to  
15    the Secretary of State, within 90 days after the enactment date of  
16    the statute, a petition certified to have been signed by electors  
17    equal in number to 5 percent of the votes for all candidates for  
18    Governor at the last gubernatorial election, asking that the statute  
19    or part of it be submitted to the electors. In the case of a statute  
20    enacted by a bill passed by the Legislature on or before the date  
21    the Legislature adjourns for a joint recess to reconvene in the  
22    second calendar year of the biennium of the legislative session,  
23    and in the possession of the Governor after that date, the petition  
24    may not be presented on or after January 1 next following the  
25    enactment date unless a copy of the petition is submitted to the

1 Attorney General pursuant to subdivision (d) of Section 10—of  
2 ~~Article II~~ before January 1.

3 (c) The Secretary of State shall then submit the measure at the  
4 next general election held at least 31 days after it qualifies or at a  
5 special statewide election held prior to that general election. The  
6 Governor may call a special statewide election for the measure.

7 Second—That Section 8 of Article IV thereof is amended to  
8 read:

9 SEC. 8. (a) At regular sessions no bill other than the budget  
10 bill may be heard or acted on by committee or either house until  
11 the 31st day after the bill is introduced unless the house dispenses  
12 with this requirement by rollcall vote entered in the journal, ~~three~~  
13 ~~fourths~~ *three-fourths* of the membership concurring.

14 (b) The Legislature may make no law except by statute and may  
15 enact no statute except by bill. No bill may be passed unless it is  
16 read by title on ~~3~~ *three* days in each house except that the house  
17 may dispense with this requirement by rollcall vote entered in the  
18 journal, ~~two-thirds~~ *two-thirds* of the membership concurring. No  
19 bill may be passed until the bill with amendments has been printed  
20 and distributed to the ~~members~~ *Members*. No bill may be passed  
21 unless, by rollcall vote entered in the journal, a majority of the  
22 membership of each house concurs.

23 (c) (1) Except as provided in paragraphs (2) and (3) ~~of this~~  
24 ~~subdivision~~, a statute enacted at a regular session shall go into  
25 effect on January 1 next following a 90-day period from the date  
26 of enactment of the statute and a statute enacted at a special session  
27 shall go into effect on the 91st day after adjournment of the special  
28 session at which the bill was passed.

29 (2) A statute, other than a statute establishing or changing  
30 boundaries of any legislative, congressional, or other election  
31 district, enacted by a bill passed by the Legislature on or before  
32 the date the Legislature adjourns for a joint recess to reconvene in  
33 the second calendar year of the biennium of the legislative session,  
34 and in the possession of the Governor after that date, shall go into  
35 effect on January 1 next following the enactment date of the statute  
36 unless, before January 1, a copy of a referendum petition affecting  
37 the statute is submitted to the Attorney General pursuant to  
38 subdivision (d) of Section 10 of Article II, in which event the  
39 statute shall go into effect on the 91st day after the enactment date

1 unless the petition has been presented to the Secretary of State  
2 pursuant to subdivision (b) of Section 9 of Article II.

3 (3) Statutes calling elections, statutes providing for tax levies  
4 or appropriations for the usual current expenses of the State,  
5 *statutes enacting the budget bill, statutes enacting budget*  
6 *implementation bills*, and urgency statutes shall go into effect  
7 immediately upon their enactment.

8 (d) Urgency statutes are those necessary for immediate  
9 preservation of the public peace, health, or safety. A statement of  
10 facts constituting the necessity shall be set forth in one section of  
11 the bill. In each house the section and the bill shall be passed  
12 separately, each by rollcall vote entered in the journal, ~~two-thirds~~  
13 *two-thirds* of the membership concurring. An urgency statute *or*  
14 *a statute enacting a budget implementation bill* may not create or  
15 abolish any office or change the salary, term, or duties of any  
16 office, or grant any franchise or special privilege, or create any  
17 vested right or interest.

18 Third—That Section 12 of Article IV thereof is amended to  
19 read:

20 SEC. 12. (a) Within the first 10 days of each calendar year,  
21 the Governor shall submit to the Legislature, with an explanatory  
22 message, a budget for the ensuing fiscal year containing itemized  
23 statements for recommended state expenditures and estimated state  
24 revenues. If recommended expenditures exceed estimated revenues,  
25 the Governor shall recommend the sources from which the  
26 additional revenues should be provided.

27 (b) The Governor and the Governor-elect may require a state  
28 agency, officer, or employee to furnish whatever information is  
29 deemed necessary to prepare the budget.

30 (c) (1) The budget shall be accompanied by a budget bill  
31 itemizing recommended expenditures.

32 (2) The budget bill shall be introduced immediately in each  
33 house by the persons chairing the committees that consider the  
34 budget.

35 (3) The Legislature shall pass the budget bill by midnight on  
36 June 15 of each year.

37 (4) Until the budget bill has been enacted, the Legislature shall  
38 not send to the Governor for consideration any bill appropriating  
39 funds for expenditure during the fiscal year for which the budget  
40 bill is to be enacted, except emergency bills recommended by the

1 Governor or appropriations for the salaries and expenses of the  
2 Legislature.

3 (d) (1) No bill except the budget bill may contain more than  
4 one item of appropriation, and that for one certain, expressed  
5 purpose. Appropriations from the General Fund of the State, except  
6 appropriations for the public schools, *appropriations made in the*  
7 *budget bill, and appropriations made in budget implementation*  
8 *bills*, are void unless passed in each house by rollcall vote entered  
9 in the journal, two-thirds of the membership concurring.

10 (2) *The budget bill and each budget implementation bill shall*  
11 *be passed in each house by rollcall vote entered in the journal, 55*  
12 *percent of the membership concurring. For purposes of this section,*  
13 *Section 8 of this article, and Section 9 of Article II, a “budget bill”*  
14 *is a bill that makes appropriations for the support of the*  
15 *government for an entire fiscal year, and a “budget implementation*  
16 *bill” is a bill that is identified in a budget bill as containing only*  
17 *changes in law necessary to implement the budget bill.*

18 (e) The Legislature may control the submission, approval, and  
19 enforcement of budgets and the filing of claims for all state  
20 agencies.

21 (f) For the 2004–05 fiscal year, or any subsequent fiscal year,  
22 the Legislature may not send to the Governor for consideration,  
23 nor may the Governor sign into law, a budget bill that would  
24 appropriate from the General Fund, for that fiscal year, a total  
25 amount that, when combined with all appropriations from the  
26 General Fund for that fiscal year made as of the date of the budget  
27 bill’s passage, and the amount of any General Fund moneys  
28 transferred to the Budget Stabilization Account for that fiscal year  
29 pursuant to Section 20 of Article XVI, exceeds General Fund  
30 revenues for that fiscal year estimated as of the date of the budget  
31 bill’s passage. That estimate of General Fund revenues shall be  
32 set forth in the budget bill passed by the Legislature.

33 Fourth—That Section 12 of Article IV thereof is amended to  
34 read:

35 SEC. 12. (a) Within the first 10 days of each calendar year,  
36 the Governor shall submit to the Legislature, with an explanatory  
37 message, a budget for the ensuing fiscal year containing itemized  
38 statements for recommended state expenditures and estimated ~~state~~  
39 ~~revenues~~ *total state resources available to meet those expenditures.*  
40 If recommended expenditures exceed estimated ~~revenues~~ *resources,*

1 the Governor shall recommend the sources from which the  
2 additional ~~revenues~~ *resources* should be provided. *The itemized*  
3 *statement of estimated total state resources available to meet*  
4 *recommended expenditures submitted pursuant to this subdivision*  
5 *shall identify the amount, if any, of those resources anticipated to*  
6 *be one-time resources.*

7 (b) The Governor and the Governor-elect may require a state  
8 agency, officer, or employee to furnish whatever information is  
9 deemed necessary to prepare the budget.

10 (c) (1) The budget shall be accompanied by a budget bill  
11 itemizing recommended expenditures.

12 (2) The budget bill shall be introduced immediately in each  
13 house by the persons chairing the committees that consider the  
14 budget.

15 (3) The Legislature shall pass the budget bill by midnight on  
16 June 15 of each year.

17 (4) Until the budget bill has been enacted, the Legislature shall  
18 not send to the Governor for consideration any bill appropriating  
19 funds for expenditure during the fiscal year for which the budget  
20 bill is to be enacted, except emergency bills recommended by the  
21 Governor or appropriations for the salaries and expenses of the  
22 Legislature.

23 (d) (1) No bill except the budget bill may contain more than  
24 one item of appropriation, and that for one certain, expressed  
25 purpose. Appropriations from the General Fund of the State, except  
26 appropriations for the public schools, *appropriations made in the*  
27 *budget bill, and appropriations made in budget implementation*  
28 *bills*, are void unless passed in each house by rollcall vote entered  
29 in the journal, two-thirds of the membership concurring.

30 (2) *The budget bill and each budget implementation bill shall*  
31 *be passed in each house by rollcall vote entered in the journal, 55*  
32 *percent of the membership concurring. For purposes of this section,*  
33 *Section 8 of this article, and Section 9 of Article II, a “budget bill”*  
34 *is a bill that makes appropriations for the support of the*  
35 *government for an entire fiscal year, and a “budget implementation*  
36 *bill” is a bill that is identified in a budget bill as containing only*  
37 *changes in law necessary to implement the budget bill.*

38 (e) The Legislature may control the submission, approval, and  
39 enforcement of budgets and the filing of claims for all state  
40 agencies.

(f) For the 2004–05 fiscal year, or any subsequent fiscal year, the Legislature may not send to the Governor for consideration, nor may the Governor sign into law, a budget bill that would appropriate from the General Fund, for that fiscal year, a total amount that, when combined with all appropriations from the General Fund for that fiscal year made as of the date of the budget bill’s passage, and the amount of any General Fund moneys transferred to the Budget Stabilization ~~Account~~ *Fund* for that fiscal year pursuant to Section 20 of Article XVI, exceeds General Fund revenues, *transfers*, and *balances available from the prior fiscal year* for that fiscal year estimated as of the date of the budget bill’s passage. That estimate of General Fund revenues, *transfers*, and *balances* shall be set forth in the budget bill passed by the Legislature.

Fifth—That Section 3 of Article XIII A thereof is repealed.

~~Section 3. From and after the effective date of this article, any changes in state taxes enacted for the purpose of increasing revenues collected pursuant thereto whether by increased rates or changes in methods of computation must be imposed by an Act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property may be imposed.~~

Sixth—The Legislature finds and declares that the changes in Section 12 of Article IV of the California Constitution proposed by the third section of this measure are complementary to, and not in conflict with, the changes proposed in Section 12 of Article IV of the California Constitution by Senate Constitutional Amendment 13 of the 2007–08 Regular Session (Resolution Chapter 144 of the Statutes of 2008). Accordingly, the fourth section of this measure incorporates the amendments to Section 12 of Article IV of the California Constitution proposed by both measures. Therefore, the fourth section of this measure shall become operative only if Senate Constitutional Amendment 13 of the 2007–08 Regular Session (Resolution Chapter 144 of the Statutes of 2008), as amended by Senate Constitution Amendment 30 of the 2007–08 Regular Session (Resolution Chapter 167 of the Statutes of 2008) is approved by the voters, in which case the third section of this measure shall not become operative. It is the intent of the Legislature that the Legislative Analyst include this information

- 1 in his or her analysis of this measure prepared for the ballot
- 2 pamphlet.

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